



BRUCE A. CHERNOF, M.D.
Acting Director and Chief Medical Officer

JOHN R. COCHRAN, III
Chief Deputy Director

WILLIAM LOOS, M.D.
Acting Senior Medical Officer

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES
313 N. Figueroa, Los Angeles, CA 90012
(213) 240-8101

BOARD OF SUPERVISORS

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February 23, 2006

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**APPROVAL OF AMENDMENT WITH L.A. CARE HEALTH PLAN
FOR HEALTHY KIDS PROGRAM**
(All Districts) (3 Votes)

IT IS RECOMMENDED THAT YOUR BOARD:

Approve and instruct the Acting Director of Health Services, or his designee, to sign Amendment No. 1 to Agreement No. H-700898, substantially similar to Exhibit I, with L.A. Care Health Plan, to add the provision of primary care services by the Department of Health Services' (Department) facilities under the Healthy Kids Program, and to allow the Department to participate in L.A. Care Health Plan's financial incentive program for meeting certain performance and reporting criteria, effective upon Board approval through June 30, 2009.

PURPOSE/JUSTIFICATION OF THE RECOMMENDED ACTION:

In approving the recommended action, the Board is authorizing the Department to provide primary care services to low-income children from birth through age 18 under the Healthy Kids Program at County facilities, and to participate in L.A. Care Health Plan's (L.A. Care) incentive programs, whereby the Department will receive additional payments for providing Child Health and Disability Prevention program services, submitting acceptable encounter data, implementing a disease management program, or providing well-child health care services.

FISCAL IMPACT/FINANCING:

The recommended Amendment with L.A. Care provides for reimbursement to the Department's facilities at a negotiated per member, per month capitation rate for the provision of primary care services to beneficiaries enrolled in L.A. Care's Healthy Kids Program, and additional payments for meeting the performance and reporting criteria under L.A. Care's incentive programs. The exact amount of revenue to be received by the Department from providing these services cannot be determined until the program is operationalized. Added expenses for treating these patients are expected to be minimal given the current level of available service capacity in the Department's pediatric services.

The reimbursement rates are on file with the Department and are kept confidential in accordance with Health and Safety Code Section 1457. The rates have been shared with each Board member, the Chief Administrative Office, and County Counsel.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

L.A. Care's Healthy Kids Program is funded by First Five L.A. which receives State monies from Proposition 10 (Tobacco Tax Initiative) and the Children's Health Initiative Coalition of Greater Los Angeles (Children's Health Initiative). The objective of the Healthy Kids Program is to provide low-cost health, dental, and vision coverage to children living in Los Angeles County whose family incomes are at or below 300 percent of the Federal Poverty Level, and who have no insurance coverage and are ineligible for Medi-Cal or the Healthy Families Program.

On June 24, 2003, the Board authorized the Director of Health Services to execute an Agreement with L.A. Care for the provision of inpatient, emergency and hospital outpatient surgery services to children enrolled in the Healthy Kids Program. At that time, the Healthy Kids Program was limited to children from birth through age 5.

On June 22, 2004, the Children's Health Initiative, a broad-based coalition co-convened by the Department, L.A. Care, and The California Endowment, announced that sufficient funds existed to expand the Healthy Kids Program to include children ages 6 through 18.

On February 15, 2005, the Board authorized the Director of Health Services to execute an Agreement with L.A. Care to cover Healthy Kids enrollees ages 0 through 18 for the provision of inpatient, emergency room, and outpatient surgical services only.

The recommended Amendment will allow Healthy Kids' Program enrollees to access primary care services from the Department's facilities. The Department will obtain reimbursement from L.A. Care for primary care services and, in addition, will receive financial incentives for meeting identified performance and reporting standards.

Either party may terminate the Agreement, with or without cause, by giving the other party at least 120 calendar days written notice.

Attachment A provides additional information.

Exhibit I has been approved as to use and form by County Counsel.

The Honorable Board of Supervisors
February 23, 2006
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CONTRACTING PROCESS:

Not applicable.

IMPACT ON CURRENT SERVICES (OR PROJECTS):

Approval of the Amendment will enable the Department to obtain reimbursement for Healthy Kids Program participants who receive primary care services at Department facilities and participate in L.A. Care's financial incentive programs.

When approved, this Department requires three signed copies of the Board's action.

Respectfully submitted,



Bruce A. Chernof, M.D.
Acting Director and Chief Medical Officer

BAC:lvb
Healthy Kids Program.lvb.wpd

Attachments (2)

c: Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors

SUMMARY OF AGREEMENT

1. Type of Service:

DHS facilities will participate in the L.A. Care Health Plan network to provide primary care services to children ages 0 through 18 enrolled in the Healthy Kids Program.

2. AGENCY NAME AND CONTACT PERSON:

Howard Kahn, CEO
L.A. Care Health Plan
555 West 5th Street, 18th Floor
Los Angeles, CA 90013
(213) 694-1250, ext. 4151

3. TERM:

The Amendment will be effective upon Board approval through June 30, 2009.

4. FINANCIAL INFORMATION:

Amendment No. 1 to Agreement No. H-700898 with L.A. Care Health Plan is anticipated to bring additional revenue into the DHS system through reimbursement received for the provision of primary care services to Healthy Kids Program enrollees and through L.A. Care's financial incentive programs for meeting certain performance and reporting criteria. However, the amount of revenue that may be generated as a result of this Amendment cannot be determined until the program is operationalized. Added expenses for treating these patients are expected to be minimal given the current level of available service capacity in the Department's pediatric services.

5. GEOGRAPHIC AREAS SERVED:

All areas.

6. ACCOUNTABLE FOR MONITORING AND EVALUATION:

Dave Beck, Acting Director and CFO, Office of Managed Care, (626) 299-5300

7. APPROVALS:

Department of Health Services: Fred Leaf, Chief Deputy

Contracts and Grants: Cara O'Neill, Chief

County Counsel: Robert E. Ragland, Senior Deputy

EXHIBIT I

Contract No. H-700898-1

L.A. CARE HEALTH PLAN AGREEMENT
WITH
COUNTY OF LOS ANGELES DEPARTMENT OF HEALTH SERVICES

AMENDMENT NO. 1

THIS AGREEMENT is made and entered into this _____ day
of _____, 2006

by and between

COUNTY OF LOS ANGELES
(hereafter "County"),

and

L.A. CARE HEALTH PLAN (hereafter
"Plan").

WHEREAS, reference is made to that certain document entitled
"L.A. Care Health Plan Agreement with County of Los Angeles
Department of Health Services", which was approved by the Board of
Supervisors on February 15, 2005, and further identified as
Agreement No. H-700898 (hereafter referred to as "Agreement"); and

WHEREAS, it is the intent of both parties to amend said
Agreement to add the provision of primary care services by the
County's Department of Health Services ("Department") and enable
the Department to receive additional payment for meeting certain
performance standards set forth in the Plan's incentive programs;
and

WHEREAS, the Agreement provides that changes may be made in
the form of a written amendment which is formally approved and
executed by the parties.

NOW, THEREFORE, the parties agree to amend the Agreement as follows:

1. This Amendment shall become effective upon Board approval.

2. Exhibit A-1, PROVIDER LISTING, attached hereto and incorporated herein by reference, shall replace Exhibit A. Any reference to Exhibit A shall now reference Exhibit A-1 only.

3. Exhibit B-1, RATES, attached hereto and incorporated herein by reference, shall replace Exhibit B. Any reference to Exhibit B shall now reference Exhibit B-1 only.

4. Exhibit C-1, PROVIDER MANUAL, attached hereto and incorporated herein by reference, shall replace Exhibit C. Any reference to Exhibit C shall now reference Exhibit C-1 only.

5. Exhibit D, DIVISION OF FINANCIAL RESPONSIBILITY, attached hereto and incorporated herein by reference, shall be added to the Agreement.

6. Exhibit E, INCENTIVE PROGRAMS, attached hereto and incorporated herein by reference, shall be added to the Agreement.

7. Agreement Paragraph I, DEFINITIONS, the definition of "Covered Services" shall be revised to read as follows:

"Covered Services" - The Hospital, Ambulatory Care and Professional Services described in this Agreement and Exhibit D which are covered by the applicable Health Services Contract and which Department agrees to make available to Healthy Kids Members in accordance with this

Agreement. Covered services shall include Primary Care Services, Inpatient Hospital Services, Emergency Room Services, and Outpatient Surgery Services, as offered pursuant to and consistent with the licensure of the Department's hospitals, Professional Services and Ambulatory Care Services."

8. Agreement Paragraph II, DEPARTMENT OBLIGATIONS, Subparagraph 2.1, shall be revised to read as follows:

"2.1 Covered Services. Department shall provide, or arrange for the provision of, Covered Services to Healthy Kids Members which are Medically Necessary, according to the terms of the Health Services Contract and this Agreement. All Covered Services provided by or arranged to be provided by Department are available to all Healthy Kids Members and are included in the rates as set forth in Exhibit B-1. Covered services shall include Primary Care Services, Inpatient Hospital Services, Emergency Room Services, and Outpatient Surgery Services as offered pursuant to and consistent with the licensure of the Department's hospitals, Professional Services and Ambulatory Care Services."

9. Agreement Paragraph IV, COMPENSATION, Subparagraph 4.1, shall be revised to read as follows:

"4.1 Payment of Department by Plan. Plan shall pay

Department for:

- (a) Covered Services set forth in this Agreement rendered by or through Department Facilities to Healthy Kids Members, at the rates and in accordance with the procedures set forth in Exhibit B-1, attached hereto and incorporated herein by reference.
- (b) Meeting certain performance standards, at the rates and in accordance with the procedures set forth in Exhibit E, INCENTIVE PROGRAMS, attached hereto and incorporated herein by reference."

10. Except for the changes set forth hereinabove, Agreement shall not be changed in any other respect by this Amendment.

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by its

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Director of Health Services, and Contractor has caused this
Amendment to be subscribed in its behalf by its duly authorized
officers, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By _____
Bruce A. Chernof, Acting Director
and Chief Medical Officer

L.A. CARE HEALTH PLAN

By _____
Signature

Print Name

Title

(AFFIX CORPORATE SEAL)

APPROVED AS TO FORM
BY THE OFFICE OF THE COUNTY COUNSEL

By _____

APPROVED AS TO CONTRACT
ADMINISTRATION

Department of Health Services

By _____
Cara O'Neill, Chief
Contracts and Grants Division

EXHIBIT A-1
TO
L.A. CARE HEALTH PLAN AGREEMENT
WITH
COUNTY OF LOS ANGELES-DEPARTMENT OF HEALTH SERVICES
PROVIDER LISTING

Antelope Valley Health Center
335-B East Avenue K-6
Lancaster, CA 93535

Bellflower Health Center
10005 E. Flower Street
Bellflower, CA 90706

Dollarhide Health Center
1108 N. Oleander Avenue
Compton, CA 90220

Edward R. Roybal Comprehensive Health Center
245 S. Fetterly Avenue, Rm. 2250
Los Angeles, California 90022

El Monte Comp. Health Center
10953 Ramona Blvd.
El Monte, CA 91731

Harbor-UCLA Medical Center
1000 W. Carson Street
Torrance, California 90509

H. Claude Hudson Comp. Health Center
2829 South Grand Avenue
Los Angeles, California 90007

High Desert Health System
44900 North 60th Street West
Lancaster, California 93536

Hubert H. Humphrey Comprehensive Health Center
5850 South Main Street
Los Angeles, California 90003

King/Drew Medical Center
12021 South Wilmington Avenue
Los Angeles, California 90059

LAC+USC Medical Center
1200 North State Street, Bldg. 837
Los Angeles, California 90033

Lake Los Angeles Community Clinic
16921 East Avenue O, Space G
Lake Los Angeles, CA 93591

La Puente Health Center
15930 Central Avenue, Room 100
La Puente, CA 91744

Littlerock Community Clinic
8201 Pearblossom Highway
Littlerock, CA 93543

Long Beach Comp. Health Center
1333 Chestnut Avenue
Long Beach, California 90813

Olive View Medical Center
14445 Olive View Drive, Rm 2A208
Sylmar, California 91342

Olive View Mid-Valley CHC
7515 Van Nuys Blvd.
Van Nuys, CA 91405

San Fernando Health Center
1212 Pico Street
San Fernando, CA 91340

South Valley Health Center
38350 40th Street East, #100
Palmdale, CA 93550

Wilmington Health Center
1325 Broad Avenue
Wilmington, CA 90744

EXHIBIT B-1

TO

L.A. CARE HEALTH PLAN AGREEMENT
WITH
COUNTY OF LOS ANGELES-DEPARTMENT OF HEALTH SERVICES
RATES

- CONFIDENTIAL -

EXHIBIT C-1
TO
L.A. CARE HEALTH PLAN AGREEMENT
WITH
COUNTY OF LOS ANGELES - DEPARTMENT OF HEALTH SERVICES

PROVIDER MANUAL

The following Sections from the Plan's Provider Manual shall be deleted in their entirety and shall not be incorporated by reference in this Agreement:

Section 2	Membership and Member Services
Section 7	Provider Credentialing and Re-Credentialing
Section 8.5	Mid-Level Medical Practitioners
Section 12.4	Third Party Liability/Estate Recovery
Section 12.5	Claims Submission
Section 12.6	Claims Processing
Appendix 1	Evidence of Coverage and Disclosure Form
Appendix 2	Required Co-Payments
Appendix 4	Facility Site Review (FSR) Tool
Appendix 5	Healthy Families Program Practitioner Credentialing Requirements

EXHIBIT D

DIVISION OF FINANCIAL RESPONSIBILITY

SERVICE MATRIX

List of Benefits/Services

HEALTH SERVICES PROVIDED TO MEMBERS (1)

	DEPARTMENT (Primary Care)	LA CARE HEALTH PLAN
AIDS		
- Facility Component		x
- Professional Component		x
Allergy		
- Serum		x
- Testing	x	
Ambulance, Air or Ground		
- In Area		x
- Out of Area		x
Anesthetics, Administration of Anesthesiology		x
Biofeedback	n/c	n/c
Blood, Blood Products & Transfusions (including prof component)		
- Autologous Blood Donation		x
- From Blood Bank		x
CHDP Services (2)		x
Chemical Dependency Rehabilitation		
- Inpatient		x
- Outpatient		x
Chemotherapy - Inpatient		
- Drugs		x
- Facility Component		x
- Professional Component		x
Chemotherapy - Outpatient		
- Drugs		x
- Facility Component		x
- Professional Component		x
Circumcision (medically necessary)		x
Cosmetic Surgery (medically necessary)		
- Facility Component		x
- Professional Component		x
Dental Services - Routine	n/c	n/c
Dental Services to repair injuries		
- Facility Component	n/c	n/c
- Professional Component		x
Detox		
- Facility Component		x
- Professional Component		x
Durable Medical Equipment (DME)		

SERVICE MATRIX

List of Benefits/Services

HEALTH SERVICES PROVIDED TO MEMBERS (1)

- Outpatient
- Apnea Monitor
- Artificial Limbs
- Hearing Aids
- Custom made
- Custom fitted
Emergency Room/Hospital Based Urgent Care Facility Component
- In Area
- Out of Area
Emergency Room/Hospital Based Urgent Care Physicians
- Initial Treatment
- Consultants
- Out of Area
Employment Physical
Endoscopic Studies
- Facility - with/without biopsy
- Professional - with/without biopsy
Experimental Procedures
Family Planning (e.g. abortions, tubal ligation, vasectomy, contraceptive devices)
- Facility Component
- Professional Component
- Diaphragms
- Contraceptives
Health Education (3)
Health Evaluation (physical) (3)
Hearing Aids
Hearing Screening (3)
Hemodialysis
- Inpatient & Outpatient Facility Component
- Inpatient & Outpatient Professional Component
Home Health Care
Hospice Services
- Inpatient Facility Component
- Professional Component
Hospitalization, Inpatient Services, Supplies & Testing
- In Area
- Out of Area
Immunization & Inoculations
- As Medically indicated
- For work/travel (if covered)
Laboratory (clinical)
- Inpatient & Outpatient Surgery
- Outpatient (services provided by Department) (3)

DEPARTMENT (Primary Care)	LA CARE HEALTH PLAN
	x
	x
	x
	x
	x
	x
	x
	x
	x
n/c	n/c
	x
	x
n/c	n/c
	x
	x
	x
	x
x	
x	
	x
x	
	x
	x
	x
	x
	x
x	

SERVICE MATRIX

List of Benefits/Services

HEALTH SERVICES PROVIDED TO MEMBERS (1)

- Outpatient (services referred to Healthplan by Department)
Lithotripsy
- Facility Component
- Professional Component
Medication
- Inpatient
- O.P. Insulin & Syringes
- O.P. covered injections, injected sub & intravenous
- O.P. non-injectables
Mental Health
- Inpatient & Outpatient Facility Component
- Inpatient & Outpatient Professional Component
- Initial Mental Health Diagnosis
Nuclear Medicine Treatment/Therapy/Diagnostic
- Inpatient Facility Component
- Outpatient Facility Component
- Professional Component
Occupational Therapy
- Inpatient
- Outpatient
Nutrition/Diabetic Counseling (3)
Organ Transplants (non-experimental)
- Facility Component
- Professional Component
Outpatient Surgery
- Facility Component
- Anesthesiology
Outpatient Diagnostic Services - Facility & Professional (including but not limited to those listed below)
- Angiograms
- CAT Scan
- 2D Echo
- EEG
- EKG
- EMG
- ENG
- MRI
- Treadmills
- Ultrasound
Pediatric (Newborn) Services
- Facility Component
- Professional Component
Physical Therapy (does not include MD services)
- Inpatient

DEPARTMENT (Primary Care)	LA CARE HEALTH PLAN
	x
	x
	x
	x
	x
	x
	x
	x
	x
x	
	x
	x
	x
	x
	x
x	
	x
	x
	x
	x
	x
	x
	x
	x
	x

SERVICE MATRIX

List of Benefits/Services

HEALTH SERVICES PROVIDED TO MEMBERS (1)

- Outpatient
Physician Visits
- To Hospital
- To Skilled Nursing Facility
- To Patient's Home
Primary Care Physicians Office Visits/Consultations
Physicians, Hospital Based (inpatient)
- Anesthesiology
- Audiology
- Cardiology
- Neonatology
- Neurology
- Nephrology
- Pathology
- Physical Medicine
- Pulmonary
- Radiology
- Radiation Oncology
- Surgeon
Physicians, Outpatient Surgery/Facility Based
- Anesthesiology
- Audiology
- Cardiology
- Emergency Room
- Diagnostic Services
- Neurology
- Nephrology
- Pathology
- Physical Medicine
- Pulmonary
- Radiology
- Radiation Oncology
- Surgeon
Podiatry Services
Pregnancy, Including OB complications
- Facility Component
- Prenatal Services (professional component)
- Delivery Services (professional component)
- Amniocentesis
- Fetal Monitoring Inpatient
- Fetal Monitoring Outpatient (diagnostic)
Prescription Drugs
Prosthetic Devices (includes orthotics) - see Reconstructive Surgery
Radiation Therapy

[illegible]

SERVICE MATRIX

List of Benefits/Services

HEALTH SERVICES PROVIDED TO MEMBERS (1)

- Facility Component (inpatient)
- Facility Component (outpatient)
- Professional Component
Radiology Services (Inpatient)
- Outpatient
- Mammography
Reconstructive Surgery
- Facility Component
- Professional Component
- Surgically Implanted Prosthetics
- Outpatient Prosthetics
Rehabilitation (short term, i.e., PT, OT, Speech, Cardiac)
- Inpatient Facility Component (including therapist)
- Inpatient Physician Professional Component
- Outpatient Facility Component
- Outpatient Professional Component (including therapist)
Skilled Nursing Facility
Social Services - Medical
Specialist Consultations
Speech Therapy
- Inpatient
- Outpatient
Supplies, Colostomy
- Inpatient
- Outpatient
Supplies, Office Visit (splints, bandages)
Supplies, Surgical
- Inpatient
- Outpatient Facility Component
- Outpatient Professional Component
TMJ
- Dental Treatment
- Diagnosis & Medically-Necessary Correction
- Inpatient Facility Component
Tissue Plasminogen Activator (TPA) (Inpatient)
Urgent Care Free Standing
Vision Care
- Screening (3)
- Refractions
- Implanted lenses (cataract surgery)
- Lenses & frames

DEPARTMENT (Primary Care)	LA CARE HEALTH PLAN
	X
	X
	X
	X
	X
	X
	X
	X
	X
	X
	X
	X
X	
	X
	X
	X
	X
	X
X	
	X
	X
	X
n/c	n/c
	X
	X
	X
	X
X	
n/c	n/c
	X
n/c	n/c

SERVICE MATRIX

List of Benefits/Services

HEALTH SERVICES PROVIDED TO MEMBERS (1)

DEPARTMENT (Primary Care)	LA CARE HEALTH PLAN
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(1) Some services may be provided by the California Childrens Services program and will not be paid by L.A. Care, Hospital, nor Department.

(2) CHDP types services included but not limited to

- Health and developmental history
- Complete physical examination
- oral health assessment
- nutritional assessment
- behavioral assessment
- immunization as appropriate for age
- vision screening
- hearing screening
- screening tests for anemia
- blood lead
- tuberculosis
- urine abnormalities
- sexually transmitted diseases, and other problems as needed
- health education and anticipatory guidance

(3) Non CHDP services.

n/c = Not a covered benefit with Healthplan

EXHIBIT E

TO

L.A. CARE HEALTH PLAN AGREEMENT
WITH
COUNTY OF LOS ANGELES-DEPARTMENT OF HEALTH SERVICES
INCENTIVE PROGRAMS

- CONFIDENTIAL -